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Product Compliance

- Products will be sold in all Mexican states where Lowe's operates retail stores
- All merchandise must meet federal, state and local regulations to be sold to our customers in Mexico
- It is vendor's responsibility to ensure compliance
- Lowe's Mexico will work with you and assist your teams go through the process needed to comply with these regulations

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Merchandising Business Policies

- Given the market differences, Lowe's Mexico has its own Merchandising organization
- Merchandising decisions are made locally in Mexico but always supported by the US Merchandising organization. We maintain a very close relationship with our peers in the US and Canada
- In order to make sure that we address the Mexico customer needs, any communication pertaining Lowe's Mexico stores, should be directed to your Mexico Merchandising representative
- Pricing
 - Lowe's preferred terms of sale are FOB Origin, Freight Collect with all vendor logistics costs netted out of the cost of goods.
 - However, four-way pricing is required
 - Prepaid shipments are delivered to Laredo, Texas; not direct to stores in Mexico

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Merchandising Business Policies

- Price Changes
 - 60 day written notice of any price increase to your Lowe's Mexico Merchandising representative
- Discontinued SKUs
 - Minimum 90 Day written notice to your Lowe's Mexico Merchandising representative
 - Product returns to US are not cost effective because of the import and export process
 - Vendor will agree to reimburse cost of discontinued inventory that was purchased within 60 days of discontinuation notice; products will be destroyed in field or donated
 - Markdown monies could be accepted if agreed upon by both parties

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Merchandising Business Policies

- Product Line Reviews
 - Mexico will have its own schedule
 - Mexico Merchandising will invite vendors to participate in PLRs
 - Samples must be shipped to Mexico POG facility when requested
 - Vendor presentations will be held at Lowe's Mexico CSC
- New items submissions out of PLR process
 - On a case by case basis, Merchandising could add new items that will support our vision to provide our customers with valued solutions with the best prices and products, even though a PLR is not scheduled for that particular product category
 - If you have any product that supports this strategy, do not hesitate in submitting them to your Lowe's Mexico Merchandising Manager for review

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Merchandising Business Policies

- Planograms
 - Mexico Store Planning will develop all Planograms for Mexico stores
 - Marketmax is being used to create planograms
 - It is very important to provide us with accurate product information for Planograms (product dimensions, weight, cube, etc)
 - Display fixtures which are vendor's provided should be coordinated with your Merchandising Manager and the corresponding Store Planning Specialist
 - POP such as flyers that will be provided should be coordinated with your Merchandising Manager and Store Planning Specialist to be included in POG
 - A small POG facility is located in Monterrey to support planogram development, when required you should provide product samples as requested by Mexico Merchandising
- Store Setup
 - Support will be requested to have every displays, fixtures and POP which are vendor provided on time for successful store setup according to schedule
 - Exact dates will be provided when ordering these materials

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Product Liability Insurance

- Required from all vendors selling, manufacturing or distributing products to Lowe's
- Product liability insurance must be written on an occurrence form and must be maintained for a period of five (5) years following termination of MSBA
- Insurance must be written by insurance company authorized to do business in the US and the United Mexican States
- Insurance shall include Lowe's Companies Inc. and any and all subsidiaries in the US and abroad as additional insureds
- All certificates of insurance should be sent to our insurance compliance contractor prior to providing any products to Lowe's Mexico

Attn: Insurance Compliance, P.O. Box 12010-LW,
Hemet, CA 92546-8010



SOS

- Lowe's Mexico will not use M2O
- SOS programs will be defined by Mexico Merchandising
- Special Order Literature
 - All catalogs, price sheets and consumer information must be sent to the appropriate Lowe's Mexico Merchandising Manager for approval
 - Once approved, printed catalogs and price sheets must be shipped free of cost to Lowe's Mexico CSC at:

Ave. Gomez Morin 955 Sur Planta Baja, Col. Montebello
San Pedro Garza Garcia, NL, Mexico 66279
Attn: Merchandising Support - SOS
 - Vendors are responsible to maintain updated product catalogs, price sheets and product literature to Lowe's Mexico

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SOS

- Invoicing / Billing requirements
 - Negotiated cost must include freight charges to Laredo, Texas
 - Freight bills for Special Order merchandise tendered as collect will be debited against your account
 - Invoice payment process will be based on the cost data contained in the SOS Purchase Order, zero tolerance will be enforced for pricing exceptions
 - One invoice per order must be submitted, no backorders allowed
- Price changes
 - Must be submitted in writing to your Lowe's Mexico Merchandising Manager 90 days prior to implementation
 - No price changes will be accepted if the supporting catalogs, price sheets and literature are not modified to reflect those changes
- Displays
 - Lowe's Mexico does not pay for Special Order displays or associated signage, banners or backer cards
 - All display components must be to promote product sales and must be approved by your Lowe's Mexico Merchandising Manager prior to shipping to the stores
 - Vendor is responsible to maintain updated displays at Lowe's Mexico stores



Visual Asset Management

- Photography: Lowe's Mexico only accepts the highest quality photography and reserves the right to refuse images provided by outside sources
- Silhouette (Silo): This is a silhouetted photograph that is consistent with photography guidelines. It is typically used in preparations that show an array of similar items side by side



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Visual Asset Management

- Lowe's Mexico prefers digital photography, though conventional photography is acceptable for front cover images
- Front cover photography (digital or conventional) should be 5" x 7" RGB images at 450 dpi, saved as uncompressed Photoshop TIFF files
- Other photography should be 4" x 5" RGB images at 450 dpi. Images with a background should be saved as uncompressed Photoshop TIFF files. Images with a clipping path must be saved as Photoshop EPS files

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Visual Asset Management

- File Naming Conventions: Identify images with the Lowe's Mexico six digit item number (SKU). Put a capital "M" at the beginning of the item number and a lowercase "p" at the end
Example: M123456p.eps
- Logos: Please provide any applicable brand logos as Adobe Illustrator 8.0 EPS files. Also, please provide any applicable logo usage guidelines and a list of Lowe's Mexico SKUs with which each logo that can be used



Visual Asset Management

- Submit advertising information in accordance with Lowe's Mexico standards
- Contact Lowe's Mexico Marketing Department when a new product line or product change that will affect photography or copy (i.e., color change, new feature, warranty information change, etc.) has been approved by your Lowe's Mexico Merchandising representative
- Respond to all requests from Lowe's Mexico for samples of product, copy specifications and/or photography
- To reference all information mentioned, please visit Lowe's Mexico LowesLink or e-mail MexicoMktg@lowes.com

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Visual Standard Guidelines

- Visual presentation in our stores is more important than ever, as our customers are faced with more choices and are looking for clear, concise information to drive them to the products they need
- All signage should be developed with the customer in mind, and should be designed to help the customer locate and make educated purchasing decisions
- Lowe's Visual Standard Guidelines for Mexico are in development. These standards are expected to be substantively similar to those for Lowe's US, which may be accessed at the below link:

<http://www.loweslink.com/ad.htm>

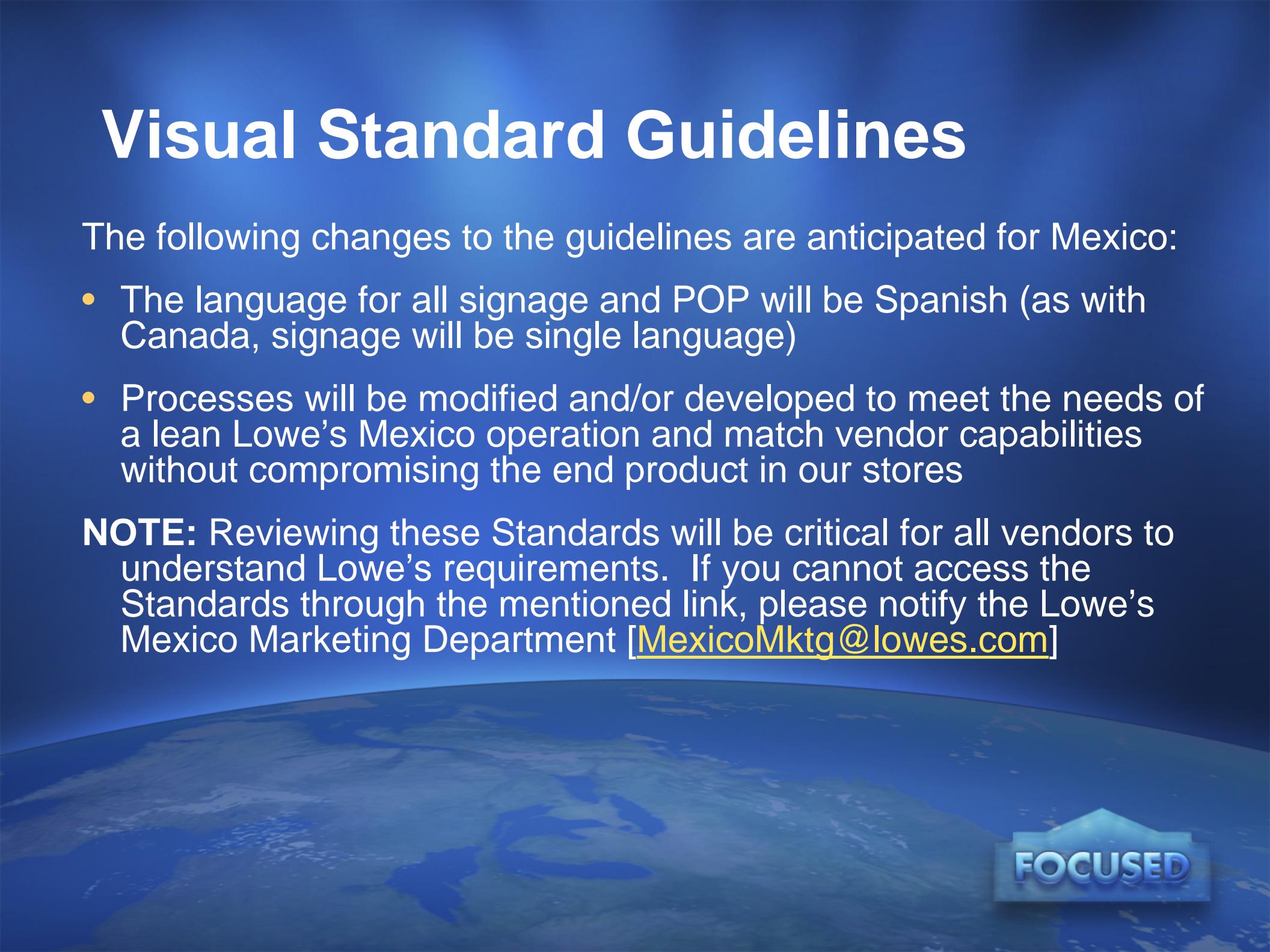


Visual Standard Guidelines

The following changes to the guidelines are anticipated for Mexico:

- The language for all signage and POP will be Spanish (as with Canada, signage will be single language)
- Processes will be modified and/or developed to meet the needs of a lean Lowe's Mexico operation and match vendor capabilities without compromising the end product in our stores

NOTE: Reviewing these Standards will be critical for all vendors to understand Lowe's requirements. If you cannot access the Standards through the mentioned link, please notify the Lowe's Mexico Marketing Department [MexicoMktg@lowes.com]



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Visual Standard Guidelines

- Lowe's Mexico will continue to design and supply all permanent store signage, known as wayfinding signage
- In-bay POP includes signs supplied by vendors and approved by Lowe's Mexico as well as signs developed by Lowe's Mexico supported by vendors
- In order to link corporate wayfinding signage to in-bay POP, Lowe's Mexico has implemented the use of the Blue Bar as a predominant graphic element on Lowe's Mexico signage
- In-bay POP should be product-related signage to provide clear, applicable, and educational information for customers in a straightforward, well-designed format

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Bar Coding

- All products are required to have a unique and scannable bar code
- Lowe's Mexico accepts the following symbologies:
 - UPC version A and E
 - EAN version 8 and 13
- All shipping units (master, bundle, pallet or inner) are required to have a 1 2 of 5 bar code
- No UCC/EAN-128 (SSCC-18) is required
- New information, Changes or Quality issues must be provided to your Lowe's Mexico Merchandising contact at:
MexicoMerch@lowes.com

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Source Tag Program

- Suppliers with high-theft/high-shrink product are required to source tag specific SKU's based upon Lowe's Mexico specific Product Group tagging criteria
- Lowe's Mexico Merchandising will contact you to be included into this program
- If vendor is contacted, they must complete the product certification process and submit Lowe's Source Tag Commitment via fax to 704-757-6097. Review Source Tag Program document for more details

Same Certification program as Lowe's US

- Support is provided with Source Tag Coordinator:
Jessica Verran or Damon Chappell at 704-758-6012

Hazmat Products

- Supplier is required to provide Material Safety Data Sheet (MSDS) Data Collection Sheet for all products. MSDS Sheet is provided in Lowe's Mexico LowesLink
- Product codes are similar to Lowe's US (N, 1, 2, 3 and 4)
- Please add Lowe's Mexico SKU numbers
- MSDS Data Sheets must be sent to Lowe's Mexico Merchandising Support at
MexicoMerch@lowes.com



Hazmat Products

- If your product requires MSDS, please submit documents to:
Infotrac, Lowe's Mexico
- MSDS documents must be provided in English and Spanish
- Vendor is responsible to provide MSDS documents to comply with all federal, state and local laws to transport, export/import and sale to the public
- Questions should be directed to:

Damon.M.Chappell@lowes.com



NOM Requirements

- NOM is the Mexican standard or regulation issued by the Mexican Authorities. NOM means Official Mexican Standard (Norma Oficial Mexicana)
- Regulated by Secretary of Economy (SE) through the General Norm Agency (DGN)
- Example of NOM terminology:

NOM-050-SCFI-2004

NOM = Type of Standard

050 = Reference number

SCFI = Secretary that develops this NOM

2004 = Year of last version

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NOM Requirements

- 4 Types of NOMs:
 - Commercial Information (packaging)
 - Energy efficiency
 - Safety and Security
 - Services and Measurement
- There are other technical Standards named Mexican Norm (NMX)



NOM Requirement

- NOM Compliance is focused on final products and is mandatory. All Mexican and foreign manufacturers, importers and retailers must apply for the NOM compliance
- Products must prove compliance with NOM Standards in Mexico, even though they have been certified to US, Canada or under any other International standard
- NOM Certificates for Commercial Information (packages) are permanent as long as the product specifications do not change
- NOM Certificates for Safety standards are valid for 1 year, renewal is required every year

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NOM Requirement

- Some important differences in Mexico against other Conformity Assessment schemes:
 - Voltage rate is 127 V
 - International Measure System is used (meter, kilogram, litre, use of commas instead of points, etc.)
 - For packaging, it is mandatory to declare the following in Spanish (bilingual is also valid): Name and address of the importer, Country of Origin (where the product was manufactured), Content declaration with the following text: CONTENIDO: __ PIEZAS, etc.
 - All information included on the product as user's manuals, warranties, warnings, etc. must be in Spanish (bilingual is also valid). Warranty must be applicable for Mexico

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NOM Requirement

- Product NOM is assigned based on HTS Code after the classification process in Mexico
- Mexico Supply Chain will provide HTS Code and NOM Requirement to vendors once product selection is finalized
- Please contact MexicoSC@lowes.com for any comment or question related to assigned NOM's

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Commercial Information NOM

- NOM-003: Paints, Inks, Varnishes, Lacquers and Enamels
- NOM-004: Textile products
- NOM-015/1: Toys and toxicity analysis
- NOM-024: Electric and Electronics
- NOM-050: General products
- NOM-051: Food and beverages
- NOM-116: Engine lubricants
- NOM-162: Audio and Video
- NOM-189: Cleaning products

Requirements can be accomplished on the carton or adding a label

Product Testing is not required

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NOM-050 Requirements

- Generic name or description
- Producer or Importer name and address
- Content: Quantity and UOM with International system
- Country of Origin (manufacturing)
- Instructions or User's manual (if needed)
- Warranty applicable in Mexico (if needed)
- Warnings (if needed)

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NOM-004 Requirements (Textil)

- Producer or Importer name, address and Tax ID (RFC#)
- Content and dimensions in International system
- Material name and percentage (in decreasing order)
- Commercial brand
- Country of Origin (manufacturing)
- Cleaning and Care Instructions

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NOM-003 Requirements (Paints)

- Generic name or description
- Producer or Importer name and address
- Content in International system
- Product material or composition (important: more requirements for lead materials)
- Manufacturing lot number
- Commercial brand
- Country of Origin (manufacturing)
- Warnings and Cautions (some materials require defined warnings)

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Safety NOM

- NOM-001: Electronics
- NOM-003: Electric products
- NOM-008: Shower heads
- NOM-009: Toilets
- NOM-010: Toilet Valves
- NOM-015/1: Toys
- NOM-016-SCFI: Office and computer devices
- NOM-016-SEDG: Gas Valves
- NOM-018-SEDG: Portable gas container and accessories
- NOM-018/4-SEDG: Gas regulators
- NOM-019-SCFI: IT and Telecom products
- NOM-019-SEDG: Gas grills
- NOM-058: Ballasts
- NOM-064: Luminaries (HID and Halogen)
- NMX-J-024: Lampholders

Product Testing is mandatory

NOM Certificate is required

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NOM-001 and NOM-003 Requirements

- NOM logo needs to be presented (with specific dimensions)
- Producer or Importer name
- Brand name
- Electrical specifications: Voltage (V~) with no period (use comma instead of period). CAPITAL “V”. Alternating current (~). Energy consumption (W) with no period. CAPITAL “W”. Operating frequency (Hz) with no period. CAPITAL “H”, lowercase “z”. Amp. (A) with no period. CAPITAL “A”. Metric system must be always used.
- Model number (VPN)
- Ground wire must be marked



NOM Provider



- Lowe's Mexico has selected Intertek (ITS) for NOM Certification services
- Intertek is the first and only global testing organization with local operations in Mexico offering independent product testing and NOM Certification (complete service)
- Intertek can provide product testing in Mexico or locally with the MRA program in China, Hong Kong, Taiwan, South Korea, USA, Sweden

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6 Basic Steps to get a NOM Certificate

1. Lowe's Mexico determines the NOM standard to be applicable for each product
2. Vendor requests Quotation to Intertek Mexico. Products and technical specifications are required. Families (product groups) could be created. Vendor defines service type (Mexico City process or other country/MRA). Prices changes based on service type
3. If quote is approved, vendor sends NOM service requirements (sample and product technical information) to Intertek. The commitment time starts as soon as Intertek receives the complete requirements
4. Intertek performs Product Testing base on the NOM standard required by Lowe's Mexico. Product could be tested in Mexico City laboratory or other country (MRA: China, Hong Kong, Taiwan, South Korea, USA, Sweden). Testing report with results is generated
5. Intertek conduct Application services. Technical file preparation: review all safety and commercial information. Both are submitted to the Intertek Certification body
6. Intertek Certification body issues the NOM Certificate for one year. NOM Certificate must be issued to Lowe's Mexico



Service Requirements

- Generally one sample is required (only for Safety NOMs)
For NOM-064, NMX-J-508, NOM-058: 3 samples are required
- Name of the product, brand name and model name (VPN, same as it appears on the package)
- Technical specification sheet (electrical ratings, only for Safety NOMs)
If the product includes power adapter, marking label (photograph)
- Marking label of the product(s), including the package label
- User's Manual, Warranty and Warnings of the product(s)
Including photographs of the product(s) with brand and model name
For NOM-003-SCFI-2000 only Spanish is accepted
- Electrical Diagram of the product (only for Safety NOMs)



5 Basic Steps to renew a NOM Certificate

1. Intertek Certification Body schedules a follow up inspection. This is done in the NOM holder facility. Sampling is part of this process
2. Vendor requests Quotation for renewal process to Intertek Mexico. Samples and technical specifications are not required
3. If quote is approved, Intertek performs Product Testing. Testing process must be done in Mexico. Testing report with results is generated. The commitment time starts as soon as vendor approves quote
4. Intertek conduct Application services. Technical file preparation (renewal) is submitted to the Intertek Certification body
5. Intertek Certification body issues the certificate for 1 more year



POG Facility Operations

- Lowe's Mexico Merchandising will request product presentation in POG facility in Monterrey
- Vendors are required to schedule presentation based on Merchant request and product receipt. Merchant will coordinate process with facility operator
- Vendor must sign POG Guide and submit it to MexicoMerch@lowes.com before any operation
- Vendor responsibilities, location and procedures are defined in POG facility document

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Sample shipments

- Product must be cleared at Customs. Shipment will be treated as International shipment
- Invoice, Packing List and Certificate of Origin are required. Review Customs requirements and restrictions in Sample shipment document. Provide documents to MexicoSC@lowes.com
- Any small parcel shipment must be shipped with “free domicile” term
- Support is provided for LTL shipments in Laredo, TX. Contact Lowe's Mexico Supply Chain for additional information

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EDI

■ Vendors are required to receive purchase orders, submit invoices, & submit ASNs electronically

- By Traditional EDI
- Or LowesLink® WebForms

■ Stock Purchase Orders - 850

- POs can be issued via EDI/WebForms several times each day

■ Advance Shipping Notice (ASN) - 856

- Lowe's Mexico will require ASN's for all shipments

■ Invoices – 810

- Electronic Invoices must be sent to Lowe's Mexico, in addition to the required paper copy.

■ All EDI information is available on LowesLink®



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EDI – New Vendors

■ Lowe's EDI Sender Receiver ID for Mexico

- 08/6135830008
- Communication via a Drummond Certified AS2 Software or Gateway is required
- A list of software is available at:



EDI – New Vendors

- To register for EDI, you must complete the Vendor EDI Profile/Lowe's Trading Partner Profile on LowesLink®
- To complete this, you will need the following information:
 - Master Vendor Number & Supplier Site ID Number from Lowe's Mexico
 - Vendor Type = Product, Merchandise Program = Stock
 - EDI ID and AS2 Communication Information
 - Are you transacting in MXN or USD currency with Lowe's Mexico?
 - Are you shipping Cross Dock?
 - In order to go through customs, all POs placed for Lowe's Mexico locations to US/Canadian Vendors will be transmitted as Cross Dock orders.
 - Cross Dock certification is required for these vendors but is optional & at the request of Lowe's for vendors located in Mexico.
- Validate the above with your Lowe's Mexico Vendor Supply Chain Analyst
- Updates will be posted on LowesLink® as:
 - Communication to Vendors Supplying Lowe's Mexico

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EDI – Existing/Shared Vendors

- All existing Lowe's vendors are required to have a NEW Sender/Receiver ID for Lowe's Mexico.
 - Lowe's EDI Sender Receiver ID for Mexico - 08/6135830008
- The following additions were made to Lowe's current specs to accommodate Lowe's Mexico. NO CHANGES were made that will impact Lowe's US/Canada.
 - Currency qualifier (MXN) for Mexico was added.
 - Country code qualifier (MEX) for Mexico was added.
 - IVA tax qualifier (VA) for Mexico was added.
- **DO NOT CHANGE** any current process you have for Lowe's US/Canada!
- Updates will be posted on LowesLink® as:
 - Communication to Existing Vendors

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EDI Setup & Testing

- If EDI testing is required, the following 3 documents must be tested and approved by Lowe's EDI prior to moving to production:
 - PO
 - Test 850 will be sent
 - 997 is required
 - Invoice
 - Invoice data will be compared to PO.
 - You will be notified of any errors and asked to retransmit until corrected.
 - An "Invoicing Agreement" to sign and return will be issued once a clean invoice test occurs
 - ASN
 - You will be asked to complete an ASN Vendor Profile to determine the ASN level you will need to test.
 - You will need to test the original and replacement ASN.
- For EDI questions and support, refer to the EDI Mexico Quick Reference guide on LowesLink®



EDI - Webforms

- **Webforms gives non EDI vendors a free web based solution for receiving POs and submitting Invoices & ASNs**

- Keep in mind that WebForms is a manual process. It WILL NOT integrate to your system.
- An email notification will be sent when a Purchase Order is available on LowesLink®.
- Both the Invoice & ASN Webform automatically convert the PO into a turnaround document. After editing certain fields, the Invoice Webform and ASN Webform can easily be submitted.

- **If you are currently using Webforms for a US/CAN vendor number you will NOT be able to receive orders and submit invoices for your Lowe's Mexico vendor number through your current account. You will be required to register for an additional LowesLink® certificate.**

- **Set up for Webforms will require:**

- Access to a computer and internet
- Online registration via LowesLink®
- A digital certificate
 - Each subscriber receives a digital certificate allowing only them to view on-line information.
- You will need Master Vendor Number & Supplier Site ID Number

- **Self testing of POs, Invoices, & ASNs must be completed**



- Another option available is SPS Commerce
www.spcommerce.net, (866) 245-8100,
clientservices@spcommerce.com

- offers a Webform solution with fees associated

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Ordering

- All Purchase Orders will be generated in Lowe's Mexico. Different orders and processes will be created for merchandise and non-sellable products
- Purchase Order for merchandise will be transmitted via EDI and Webforms. Purchase Order for non-sellable products will be sent manually
- Revise entirely the initial order to make sure all information is correct. Do not ship if PO is not correct. Ordered quantity (PO) must match as you ship (ASN and packing list) and bill (invoice)
- Lowe's Mexico does not accept backorders, substitute items and late shipments
- Special requirements are applicable for any event that causes delays in shipping dates, and changes or discontinued products
- ASN transaction is required for all merchandise orders via EDI or Webforms

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Cross Border Documentation

- Certificate of Origin is required for all products (merchandise and non-sellable)
- Certificate of Origin must contain country of manufacturing
- Certificate must be valid for one calendar year (1/1/2009 to 31/12/2009). Use Gregorian calendar
- For products with origin in US, CA and MX, a Certificate must be provided with correct Nafta format. For any other country, a certificate in general format must be provided. Instructions are presented within certificate format and Cross Border document
- Vendor must renew certificates every Nov-15th for each year.
Please provide certificates to MexicoSC@lowes.com
- Any change to country of origin for products sold to Lowe's Mexico must be notified in advance and present a new certificate to MexicoSC@lowes.com

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Cross Border Documentation

- NOM Certificate (for safety NOM) is required for sellable products
- NOM Certificates must be provided to MexicoSC@lowes.com before initial PO is generated
- Vendors must provide renewed valid NOM Certificates 2 weeks before the expiration of the certificate
- If NOM Certificate is updated, please provide the new certificate as soon as available

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Cross Border Documentation

- Commercial Invoice is required for each purchase order of non-sellable product (assets, fixtures, displays, consumables, etc.) as soon as product is shipped. Contact your Lowe's Mexico Supply Chain to review invoicing process for Customs purposes. Provide invoice to MexicoSC@lowes.com
- Packing Slip is required per Purchase Order. Document must be machine printed and legible to user. Packing slip must be clearly located in a plastic “packing slip enclosed” pouch on the exterior of the first carton
- For wood products, Letter of Treatment with the specifications of the treatment and humidity that your products contain is required for each purchase order. Provide letter to MexicoSC@lowes.com as soon as product is shipped



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DC Information

- Vendor must ship Lowe's Mexico orders to the following location:

Laredo, TX Facility

Operated by Kuehne & Nagel

12018 Auburn Road, Suite 4

El Portal Industrial Park

Laredo, TX 78045

Phone: 956 727-4965

Contact: Johny Araiza

Receiving hours: 9:00AM to 4:00PM



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Transportation Requirements

- Please notify Lowe's Mexico Planner if PO has incorrect freight term or shipping date
- Suppliers are allotted 2 hours of free time for loading truckload shipments
- For all prepaid shipments, vendor's carriers are required to notify the estimated delivery date and time at the Laredo facility at least 48 hours in advance of shipment. No appointments are required for deliveries to Laredo facility
- Lowe's Mexico does not accept backorders

Transportation Requirements

- For Collect Truckload shipments, vendor must provide pick-up appointments to MexicoSC@lowes.com no later than 72 hours prior to the scheduled ship date
- Lowe's Mexico SC will confirm appointment and carrier name
- Vendors are required to use 53' trailers on all Truckload shipments
- All Collect and Prepaid truck-load shipments must be sealed at the vendor's dock, and the seal number recorded on all copies of the Bill of Lading

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Transportation Requirements

- Lowe's requires that all inbound LTL shipments (Collect and Prepaid) be routed on the Lowe's Mexico Core LTL carrier confirmed by Lowe's Mexico Supply Chain
- Vendor is required to request the shipment pick-up directly using Lowe's Mexico designated carrier. No pick-up appointments need to be provided to Lowe's Mexico
- Accumulation of LTL shipments is not allowed
- Bill of Lading must contain all Lowe's purchase order numbers in the shipment

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Transportation Requirements

- For Small Package shipments, shipping label is required for each carton, including PO number
- The ship-to address label must be placed on the top of the carton
- The total number cartons shipped must clearly be referenced on the packing list, bill of lading, invoice, and shipping label
- If one carton contains two or more different products, the carton must be labeled with a placard "MIXED CONTENTS"

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Packaging

- All Inner Packs and Master Cartons must be sealed to eliminate potential of accidental opening
- Vendors should ensure that cartons are compliant with the International Safe Transit Association testing protocols to avoid damages
- Lowe's requires one item number per carton
- Staples should not be used on Master Cartons or Inner Packs
- The use of metal banding is not allowed for safety reasons
- Handling Icons must be used based on product specifications
- When unitizing pallets, place cartons of the same item together on the pallet by the quantity amount ordered
- Do not mix merchandise products with product support materials. These shipments will be managed with a totally different processes



Packaging

- Liquid items will be conveyed upright and should be labeled with the “Liquid” icon
- Additional packaging specifications are required to grills, toilets, vanities, ceramic tile, patio furniture, shower doors and bird seed
- Vendors must use pallets that conform to Lowe's Pallet Specifications. 4-way entry pallets are required. Fumigated and certified pallet with correct standard marking is required
- Pallet Label is required for each pallet
- Vendors must use a Lowe's approved mini-pallet
- Stretch wrap all individual pallet to the base of the pallet with sufficient stretch wrap to prevent the product from shifting in transit



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Product Support Materials

- Green Tape “Signage Fixture & Display” is required
- Red project label and red shrink wrap is required for each pallet
- Instruction Sheet, detailing installation location and mounting directions, must be included in each individual carton
- Departmental Color Coded label is required based on department matrix for each carton or pallet
- Do not mix merchandise products with product support materials. These shipments will be managed with a totally different processes

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Billing Requirements

- Selling and billing from your US company to Lowe's Mexican companies
- Two different processes:
 - Merchandise (sellable products)
Bill to: Importer company
 - Non Merchandise (Assets, Fixtures, Displays, Consumables, Product Support Material, etc.)
Bill to: Store Operator company
- Email a copy of the invoice to:

MexicoAP@lowes.com



Billing Requirements - Merchandise

- Review Billing Requirements for complete details
- Electronic invoicing is required (Traditional EDI or WebForms)
- Use the Lowe's Mexico item numbers that are on the PO's for invoicing
- Bill and Ship in same unit of measure as ordered
- One invoice per Location (store or DC) and Purchase Order
- Include Location, PO, and Vendor numbers on the invoice
- Invoice only for product that was shipped
- Notify Lowe's Mexico Merchandising of Pricing Discrepancies BEFORE shipping and invoicing the PO
- Email a copy of the invoice to

MexicoAP@lowes.com



Billing Requirements – Non Merchandise

- Review Billing Requirements for complete details
- Bill and Ship in same unit of measure as ordered
- One invoice per Location and Purchase Order
- Include Location, PO, and Vendor numbers on the invoice
- Invoice only for product that was shipped
- Notify Lowe's Mexico Buyer of Pricing Discrepancies BEFORE shipping and invoicing the PO
- Vendor must email a copy of the paper invoice to Lowe's Mexico Supply Chain for customs clearance purposes **as soon as the order is shipped.**
- Reference “Cross Border Documentation” requirements in the Lowe's Mexico Partnership book.
- Email a copy of the invoice to

MexicoAP@lowes.com



Billing Requirements

- Due Date: Date on which payment is created, not the date payment is received by the vendor
- Debit Balance: Must be cleared in 45 days
- Discounts will still be applied to payments not released due to vendor being in a debit balance
- All Payments made to US vendors will be made in USD via EFT
- Debit Memo backup and Payment Remittance details will be emailed to the vendors

Please confirm email address to your Merchant contact

- Contact MexicoAP@lowes.com for payment and invoice inquiries



Billing Requirements – EDI / Webforms

- Electronic invoice is required via EDI or Webforms
- Hard copy of the invoice must be emailed to MexicoAP@lowes.com in addition to being transmitted electronically
- Hard copy invoice must contain the Lowe's Mexico Fiscal name and Address

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Discrepancy & Liability Guidelines

- Review Discrepancy and Liability Guidelines document for details on shipping and quantity discrepancies

Same Guideline as Lowe's US
- If a vendor would like to dispute a debit memo with a chargeback, please include:
 - Copy of the original debit memo
 - Carton / pallet breakdown with Lowe's item numbers
 - Proof of delivery
- Email documents to MexicoAP@lowes.com with any additional chargeback documentation



Product Returns

- Lowe's expects our vendors to honor all Returns to Manufacture (RTM) documents covering customer returned or defective merchandise which are issued by Lowe's
- Foreign vendors will only have the option to destroy or donate. No send back product to foreign vendor is considered
- RTM value will be based on last product receipt value plus add-ons
- Preferred RTM Method:
 - Field Destroy
 - No RRA# Required
 - No vendor inspection required



Product Returns

- 5% RTM Add-on Applies
 - If vendor inspection is required
 - If store must call for return authorization for each return
(5% add on will be waived if a blanket RRA is provided)
- Hazardous Materials (HAZMAT)

If HAZMAT items can not be field destroyed, vendor must let Lowe's donate, discount and sell, or have Lowe's contract a specialized company to destroy (after credit has been given from the vendor)

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Product Buybacks

- Negotiated between Lowe's Mexico Merchant and Vendor
- Buyback must include the following elements:
 - Method (destroy or donate)
 - Estimated Merchandise Value
 - Payment Method to Lowe's (debit memo or check)
 - Locations involved
 - Items involved
 - Authorization
 - Time Frame
 - Completed "Lowe's Merchandise Return Agreement"



Product Recalls

- To begin the Recall Process:
 - Email qualityassurance@lowes.com and provide recall details
 - Call 704-757-7472
 - Inform the Lowe's Mexico Merchant that is affected
- Quality Assurance and the Lowe's Mexico Supply Chain Team will support the vendor through the recall process
- Please see Article 3.14 of the Lowe's Mexico MSBA for additional legal implications

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Vendor Compliance

- Similar performance is required as Lowe's US
- If a vendor does not comply with Lowe's specifications for product shipping and product labeling, additional fines could be imposed
- Examples include, but are not limited, to the following:
 - On-Time Shipment
 - Quantity Fill Rate
 - Bar Coding and Packaging Requirements
 - Core Carrier Compliance
- Please review the "Lowe's Mexico Vendor Compliance Policy" for additional details and fining methodologies
- If vendor is not compliant, an action plan must be established to meet Lowe's performance standards

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Lowe's Contact Information

- Only with Lowe's Mexico

Merchandising

MexicoMerch@lowes.com

Supply Chain

MexicoSC@lowes.com

Marketing

MexicoMktg@lowes.com

Finance

MexicoAP@lowes.com

- Contact with Lowe's Mexico and Lowe's US

EDI

EDI@lowes.com

Product Liability Insurance

Mary.L.McNeilly@lowes.com

Hazmat and Source Tag

Damon.M.Chappell@lowes.com

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Questions and Answers

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